

# INTEROFFICE MEMO

**DATE** June 12, 2006

**PHONE** 387-4532



**FROM** *Norman A. Kanold*  
**NORMAN A. KANOLD**, Assistant County Administrator  
 Public and Support Services Group

County of San Bernardino  
**RECEIVED**  
 JUN 13 2006

**TO** **KATHLEEN ROLLINGS-MC DONALD**  
 Local Agency Formation Commission

**LAFCO**  
 San Bernardino County

**SUBJECT** **REQUESTED INFORMATION: LAFCO 3000 (COUNTY FIRE DISTRICTS REORGANIZATION) AND LAFCO 3001 (SPHERE OF INFLUENCE)**

Please refer to your memorandum to me dated March 3, 2006 on this subject.

The following responses are provided with respect to the issues raised in your March 3<sup>rd</sup> memorandum. The responses are presented in the sequence outlined in that memorandum:

## 1. LAFCO 3001-Sphere of Influence Amendments.

- a. No response required.
- b. The official position of the County regarding service areas that have been Included in the reorganized County Fire Protection District's sphere but which also lie within an existing independent fire agency's sphere of influence is as follows:

This is a temporary measure to ensure that all unincorporated areas of the County are served by a fire protection agency. Unincorporated areas within another fire agency's sphere of influence, as a general rule, are already served by the County Fire Department so this should not represent a real change. Where such overlapping sphere areas are created as a result of this reorganization, the County shall be considered the "secondary" fire protection agency and the existing fire protection agency shall be considered the "primary" agency. It is not the intent of the County Fire Department to object to the primary agency annexing areas within its sphere of influence in the future, with the normal property tax transfers taking place.

- c. No response required.

## 2. LAFCO 3000-County Fire Districts Reorganization

- a. No response required.
- b. In an effort to expedite processing LAFCO 3000, the County desires to amend its application to exclude sovereign Indian lands within the County as fire protection activities in these areas are primarily a tribal responsibility. Areas within the County's proposed reorganization where fire protection services to tribal lands are provided are limited. The

Department will continue to provide fire protection services under contract with the appropriate tribal communities where districts currently overlay tribal lands. The County Fire Department will coordinate with the County Surveyor and LAFCO to order revised maps of the proposed Sphere area for LAFCO 3001 and LAFCO 3000.

- c. Comments received
  - i. No response required.
  - ii. No response required.
  - iii. No response required.
  - iv. No response required.
  - v. See **Attachment A**, "Historic Property Tax Splits in Multi-Service Districts."
- d. Additional information: San Sevaine Redevelopment Area. See **Attachment B**, "Requested San Sevaine Redevelopment Area Information."
- e. Additional information: Line item budget detail for the proposed reorganized fire protection district and all of its improvement districts, for FY 1005/06, FY 2006/07, and FY 2007/08.

The application already includes projected budgets for the reorganized parent district and all of its improvement districts for each of the three years requested. The budgets are displayed by series totals (i.e. Salaries & Benefits, Services & Supplies, etc.) as they appear in the County and Special Districts budget books. The methodology used was to essentially combine the budgets of the various districts lying within the proposed improvement district boundaries into consolidated improvement district budgets, based on past, current, and projected staffing. The special tax improvement district budgets were predicated on current and projected increases in special taxes. The CSA 70 budget was essentially transformed into the "Fire Administration" budget. As I discussed with you, to transform these budgets into individual line item budgets with individual narrative explanations of each object code would involve a tremendous amount of work and would, I think, add little to LAFCO's overall analysis of the proposal. The effort would not be particularly helpful for FY 2005/06, as the fiscal year is now at an end, nor for FY 2007/08, which would be a speculative exercise. However, as we discussed we can develop a fairly realistic line-item budget for FY 2006/07. Fire Department staff have just completed the proposed budget for FY 2006/07 based on the existing district organization, and can convert the object code budgets into the reorganized district budgets to produce a realistic picture of how the new district operation would function. We will proceed to prepare this document and will forward it to you under separate cover within the next several weeks.

- f. Additional information: CSA 38 Budget. See **Attachment C**, "CSA 38 Budget Allocation Methodology."
- g. It is the intent of the County's proposal to retain the historic share of ad valorem property tax revenue received by County Service Area 70 (CSA-70/Fire Administration) when its fire powers are removed to help offset the costs of centralized administration within the newly-proposed San Bernardino County Fire Protection District. The property tax amounts currently dedicated to CSA 70 within its tax rate areas that do not overlay other

fire protection agencies will be transferred directly to the new fire protection district when the County processes the negotiated tax transfer required by Section 99.1 of the California Revenue and Taxation Code. The property tax amounts currently dedicated to CSA 70 within tax rate areas that do overlay other fire protection districts will be earmarked and transferred to a separate County General Fund account each year, where they will be appropriated and transferred to the new fire protection district budget to support the "Administration" budget. This funding arrangement is the stated intent of the Board in its application for reorganization, and it would not serve future Boards any useful purpose to undo the arrangement in order to divert the revenue stream to another purpose as that would create a new funding crisis for the County Fire Department. No new property tax revenue is anticipated to be received from newly-annexed areas to the fire protection district.

- h. Additional information: Special tax/assessment amounts of current districts. See **Attachment D**, "Special Taxes & Assessments to be Transferred to Successor Improvement Districts."
- i. No response required.

Please contact me if you have any questions with the responses outlined in this memorandum.

NAK:smj

Attachments (4)

cc: Patrick Dennen  
Dan Wurl  
Chiefs of Staff  
Wayne Thies